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JOUTEL COPPER MINES LIMITED
(NO PERSONAL LIABILITY)

Annual Report

FOR THE YEAR ENDED DECEMBER 31st, 1966

Joutel Copper Mines Limited

(No Personal Liability)

DIRECTORS

K. BURN	-	-	-	-	-	-	-	-	-	Toronto, Ontario
E. FUTTERER	-	-	-	-	-	-	-	-	-	Toronto, Ontario
K. C. GRAY	-	-	-	-	-	-	-	-	-	Toronto, Ontario
W. S. ROW	-	-	-	-	-	-	-	-	-	Toronto, Ontario
J. H. STOVEL	-	-	-	-	-	-	-	-	-	Toronto, Ontario

OFFICERS

J. H. STOVEL	-	-	-	-	-	-	-	-	-	President
E. FUTTERER	-	-	-	-	-	-	-	-	-	Vice-President and Manager
R. D. STEWART	-	-	-	-	-	-	-	-	-	Secretary
B. C. BONE	-	-	-	-	-	-	-	-	-	Treasurer
J. B. SAGE	-	-	-	-	-	-	-	-	-	Assistant Secretary
D. B. CAMPBELL	-	-	-	-	-	-	-	-	-	Resident Superintendent

HEAD OFFICE

SUITE 605 - 399 ST. JOSEPH STREET EAST
QUEBEC CITY, P.Q.

EXECUTIVE OFFICE

SUITE 1600 - 44 KING STREET WEST
TORONTO 1, ONTARIO

TRANSFER AGENT AND REGISTRAR

THE ROYAL TRUST COMPANY
119 ADELAIDE STREET WEST, TORONTO 1, ONTARIO

ANNUAL MEETING

Tuesday, April 18th, 1967, at 10:00 a.m.
Windsor Hotel, Montreal, Quebec

Joutel Copper Mines Limited

(No Personal Liability)

Directors' Report

TO THE SHAREHOLDERS:

Your Directors submit herewith the Annual Report for the year ended December 31, 1966. Included herein is the Manager's Report which gives details of construction and underground development.

Production plans were delayed due largely to an acute shortage of development miners and skilled tradesmen. During November 1966 the contract with the general contractor was terminated and work is now proceeding under direct control of the Joutel staff.

It is estimated that the total cost of preproduction expenditures since the decision to bring the mine to production will be \$2,723,400. In addition, a further capital expenditure of \$150,000 to \$200,000 will be required later this year for housing, possible dust filtration system and rock drills.

It is anticipated that an amount of \$850,000 plus carrying charges will be borrowed as required to cover working capital, further capital expenditure, and preproduction expenditures not provided for in the debenture financing.

Trucking of ore to the concentrator of Mines de Poirier Inc. commenced February 8, 1967 and milling started February 13, 1967.

At the year-end net current assets were \$89,776.

Copper remained in tight supply throughout 1966 mainly due to transportation problems in Zambia and exceptionally high U.S. requirements, augmented by the war in Viet Nam. Both factors continue, although the Zambian transport facilities are being gradually increased and a further stockpile release of 150,000 tons will be available for defence needs in the United States. Shipments from the Congo were interrupted at the year-end by the dispute with Belgium, but production continues. With world production expected to increase in 1967, a better balanced market should develop after renegotiation of the U.S. copper industry's labour agreements in July.

While the outlook for copper prices to hold at current levels for the first half of 1967 appears favourable, the unknowns mentioned earlier make any forecasts beyond that period of doubtful value.

It is with pleasure that your Directors record their sincere appreciation of the excellent work of the Manager, Resident Superintendent and his staff throughout the year. Those members of the staff of Kerr Addison Mines Limited assigned to the project from time to time during the construction period made a valuable contribution during this difficult time.

On behalf of the Board,

J. H. STOVEL,
President.

February 13, 1967.

Joutel Copper

(No Personal Liability)
(Incorporated under the laws of the Province of Ontario)

Balance Sheet--

ASSETS

CURRENT:

Cash and short term notes	\$ 443,511	
Accounts receivable	79,732	
Inventory of supplies, at cost	4,573	
		<u>527,816</u>

DEFERRED:

Milling expenses (note 3)	650,000	
Exploration, development and other expenditures (note 4)	3,138,481	
Hydro deposit	35,000	3,823,481

FIXED:

Buildings and equipment at cost (note 1)	1,257,256	
Mining properties (note 2)	450,000	1,707,256

OTHER:

Discount on debentures	575,200	
Incorporation expenses	3,000	578,200
		<u>\$6,636,753</u>

(See accompanying notes)

AUDIT

To the Shareholders of
Joutel Copper Mines Limited:
(No Personal Liability)

We have examined the balance sheet of Joutel Copper Mines Limited (No Personal Liability) and the statement of exploration, development and other expenditures for the year ended on that date and have obtained all the information necessary to verify the accounting procedures and such tests of accounting records and other supporting evidence as we considered appropriate.

In our opinion and according to the best of our information and the explanation and statement of exploration, development and other expenditures are properly drawn up and the results of its operations for the year ended on that date, in accordance with the accounting principles generally accepted in Canada, are in accordance with the preceding year.

Toronto, Canada,
February 16, 1967.

Lines Limited

ability)
aws of Quebec)

December 31, 1966

LIABILITIES

CURRENT:

Accounts payable and accrued charges	\$ 438,040
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LONG TERM:

6% Secured Redeemable Income Debentures, maturing December 31, 1975	2,876,000	
Accrued interest (note 5)	186,940	3,062,940
		<u>3,500,980</u>

CAPITAL:

Authorized —

5,000,000 shares of a par value of \$1.00 each

Issued —

4,889,073 shares	4,889,073	
Less discount	1,753,300	3,135,773

On behalf of the Board:

J. H. STOVEL, Director.

EDWARD FUTTERER, Director.

\$6,636,753

financial statements)

REPORT

ability) as at December 31, 1966, and the statement of exploration, development and explanations we have required. Our examination included a general review of the re considered necessary in the circumstances.

to us, and as shown by the books of the company, the accompanying balance sheet s to exhibit a true and correct view of the state of the affairs of the company as at with generally accepted accounting principles applied on a basis consistent with that

CLARKSON, GORDON & CO.,
Chartered Accountants.

Joutel Copper Mines Limited

(No Personal Liability)

Statement of Exploration, Development and Other Expenditures

For the Year Ended December 31, 1966

	Balance December 31, 1965	Expenditures during the year	Balance December 31, 1966
Geophysical	\$ 27,572		\$ 27,572
Transfer and assessment fees	16,862		16,862
Diamond drilling	730,208	\$ 53,747	783,955
Assaying	21,997	3,023	25,020
Shaft sinking	480,396	1,395	481,791
Drifting and cross-cutting	254,946	353,135	608,081
Slashing	73,967		73,967
Ore passes and raises	10,254	176,125	186,379
Miscellaneous stations	104,113	86,606	190,719
Mine maintenance	220,413	79,142	299,555
Supervisory salaries and expenses	84,618		84,618
Field office administration	52,925	25,039	77,964
Cost of access roads	60,858	93,004	153,862
	2,139,129	871,216	3,010,345
Debenture interest (note 5)		186,940	186,940
Administration and financing expenditures	59,292	57,853	117,145
	2,198,421	1,116,009	3,314,430
Less interest earned	92,977	82,972	175,949
	<u>\$2,105,444</u>	<u>\$1,033,037</u>	<u>\$3,138,481</u>

Notes to Financial Statements

December 31, 1966

1. No depreciation has been recorded in the accounts for 1966 as the company did not commence operations until February, 1967. With the commencement of production, depreciation will be recorded in amounts which will amortize the cost of the buildings and equipment over a period of approximately seven years.
2. The mining properties were acquired in consideration for the issue of 900,000 shares of capital stock valued by the directors at 50¢ per share.
3. Joutel has advanced \$650,000 to Mines de Poirier Inc., for the expansion of its mill to enable it to treat the Joutel ore. This amount will be amortized at the rate of 50¢ per ton of ore treated.
4. \$407,700 of the exploration, development and other expenditures were incurred by the vendors of the mining properties; as consideration for this the company issued 815,400 shares of capital stock at a price of 50¢ per share.
5. Interest has been accrued in the accounts from December 1, 1965, the date of issue of the debentures, to December 31, 1966; however no amount will be payable until May 31, 1968. The payment of interest will depend upon the availability of the company's operating profit (as defined).

Joutel Copper Mines Limited

(No Personal Liability)

Manager's Report

TO THE PRESIDENT AND DIRECTORS:

The year 1966 saw the completion of plant construction, extension of underground development and detailed ore delineation in preparation for initial production scheduled for early 1967. New plant buildings include a head frame with a 700 ton ore bin, main surface building, office, change house and warehouse.

At year-end, concrete work and erection were well underway in the crusher station and permanent loading pocket and all electrical equipment and power lines necessary for production had been installed.

Underground development completed during the year included cutting of stations, driving of drifts, sub-drifts and raises and necessary stope development required to enable the mine to produce at the rate of 700 tons of ore per calendar day. The following table gives details of development:

Drifts and Crosscuts	6,874 feet
Ore Passes and Raises	3,849 feet
Stations	24,623 cubic feet
Cones and Undercutting	29,240 cubic feet
Diamond Drilling	29,405 feet

At year-end a surface stockpile totalling 9,700 tons of ore of marginal grade had been accumulated.

Underground diamond drilling to outline the known ore zones, while not yet completed, has indicated that the previously published ore reserves of 1,370,000 tons grading 2.35% copper before dilution, will be substantiated.

Production in the initial phase will come from a combination of blast-hole and shrinkage stopes. Ore will be trucked under contract a distance of three miles for treatment on a toll basis in the concentrator of Mines de Poirier Inc. The expansion of the Mines de Poirier concentrator was completed in September at a cost to Joutel of approximately \$650,000.

Trucking of ore to the concentrator of Mines de Poirier Inc., commenced February 8, 1967 and milling started February 13, 1967.

EDWARD FUTTERER,
Vice-President and Manager.

February 13, 1967.

THE HISTORY OF THE CITY OF TORONTO

BY
J. H. COLEMAN

VOLUME I

THE CITY OF TORONTO
FROM 1793 TO 1827

THE CITY OF TORONTO
FROM 1827 TO 1854

THE CITY OF TORONTO
FROM 1854 TO 1867

THE CITY OF TORONTO
FROM 1867 TO 1881

THE CITY OF TORONTO
FROM 1881 TO 1896

THE CITY OF TORONTO
FROM 1896 TO 1901

THE CITY OF TORONTO
FROM 1901 TO 1906

THE CITY OF TORONTO
FROM 1906 TO 1911

THE CITY OF TORONTO
FROM 1911 TO 1916

THE CITY OF TORONTO
FROM 1916 TO 1921

THE CITY OF TORONTO
FROM 1921 TO 1926